

House File 2269 - Reprinted

HOUSE FILE 2269
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 561)

(As Amended and Passed by the House March 2, 2016)

A BILL FOR

1 An Act providing for certain excise taxes imposed on the sale
2 of cattle and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 181.1, subsection 3, Code 2016, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

4 3. "*Executive committee*" means the executive committee of
5 the association as created in section 181.3.

6 Sec. 2. Section 181.1, subsection 6, paragraph b, Code 2016,
7 is amended to read as follows:

8 b. The person acquired ownership of cattle to facilitate
9 the transfer of ownership of such cattle from the seller to a
10 third party; resold such cattle no later than ten days from the
11 date on which the person acquired ownership; and certified as
12 required by rules adopted by the ~~council~~ executive committee.

13 Sec. 3. Section 181.2, Code 2016, is amended to read as
14 follows:

15 **181.2 Duties and objects of association.**

16 The Iowa beef cattle producers association shall do all of
17 the following:

18 1. Aid in the marketing and promotion of the cattle industry
19 of the state.

20 ~~2. Provide for practical and scientific instruction in~~
21 ~~the breeding and raising of cattle~~ Conduct research on beef
22 production and evaluate Iowa beef production needs.

23 ~~3. Make demonstrations in the feeding of cattle and publish~~
24 ~~suggestions beneficial to such business~~ Provide educational
25 materials and opportunities to consumers, producers, and youth
26 regarding the benefits of Iowa's beef cattle industry.

27 ~~4. Aid and promote cattle feeding contests, shows, and~~
28 ~~sales.~~

29 ~~5.~~ 4. Prepare an annual report of the proceedings and
30 expenditures of the ~~council~~ executive committee as provided in
31 section 181.18B.

32 Sec. 4. Section 181.3, Code 2016, is amended to read as
33 follows:

34 **181.3 ~~Iowa beef industry council~~ Executive committee —**
35 **creation and operation.**

1 1. An ~~Iowa beef industry council~~ executive committee of the
2 Iowa beef cattle producers association is created. The ~~council~~
3 executive committee consists of ~~eight~~ ten members, including
4 all of the following:
5 a. Five producers elected by the Iowa beef cattle producers
6 association pursuant to section 181.6A.
7 b. Two producers appointed by the Iowa cattlemen's
8 association.
9 c. One livestock market representative appointed pursuant to
10 subsection 2.
11 ~~e.~~ d. The secretary of agriculture or a designee, who shall
12 serve as a ~~voting~~ an ex officio, voting member.
13 ~~d.~~ e. The dean of the college of agriculture and life
14 sciences of Iowa state university of science and technology or
15 a designee, who shall serve as a ~~voting~~ an ex officio, voting
16 member.
17 2. The Iowa livestock auction market association shall
18 nominate two livestock market representatives. The secretary
19 of agriculture shall appoint one of the nominees or another
20 livestock market representative of the secretary's choice, who
21 shall serve at the pleasure of the secretary.
22 3. The ~~council~~ executive committee shall elect a
23 chairperson, secretary, and other officers it deems necessary.
24 4. a. A member who is a producer or livestock market
25 representative described in subsection 1, paragraphs "a"
26 through "c", shall serve a three-year term. The member shall
27 not serve more than two consecutive full terms.
28 b. Except for an ex officio members member, vacancies a
29 vacancy in the ~~council~~ executive committee resulting from
30 death, inability or refusal to serve, or failure to meet the
31 qualifications of this chapter shall be filled by the ~~council~~
32 executive committee. If the ~~council~~ executive committee fails
33 to fill a vacancy, the secretary shall fill it. ~~Vacancy~~
34 ~~appointments~~ A vacancy appointment shall be filled only for the
35 remainder of the unexpired term.

1 Sec. 5. Section 181.4, Code 2016, is amended to read as
2 follows:

3 **181.4 ~~Employees of council~~ Executive committee — employees.**

4 The ~~council~~ executive committee may employ two or more
5 competent persons who shall devote their entire time, under
6 the direction of the ~~council~~ executive committee, in carrying
7 out the provisions of **this chapter**. The salary of persons so
8 employed shall be set by the ~~council~~ executive committee, and
9 the persons shall hold office at the pleasure of the ~~council~~
10 executive committee.

11 Sec. 6. Section 181.6A, Code 2016, is amended to read as
12 follows:

13 **181.6A ~~Election of council~~ Executive committee — election.**

14 1. The Iowa beef cattle producers association shall hold an
15 annual meeting of producers. An election shall be held at the
16 annual meeting, as necessary, for election of producers to the
17 ~~council~~ executive committee.

18 2. Prior to the annual meeting, the association shall
19 appoint a nominating committee. At least sixty days prior to
20 the annual meeting of the association, the nominating committee
21 shall nominate two producers as candidates for each position
22 on the ~~council~~ executive committee for which an election is to
23 be held. At least forty-five days prior to the annual meeting
24 of the association, additional candidates may be nominated by
25 a written petition of fifty producers. Procedures governing
26 the place of filing and the contents of the petition shall be
27 promulgated and publicized by the ~~council~~ executive committee.

28 3. Producers attending the annual meeting of the
29 association may vote for one nominee for each position on the
30 ~~council~~ executive committee for which an election is held.
31 Producers not attending the annual meeting of the association
32 may vote by absentee ballot if the ballot is requested and
33 mailed, with proper postage, to the ~~council~~ executive committee
34 prior to the annual meeting of the association. For each
35 position for which an election is held, the candidate receiving

1 the highest number of votes shall be elected.

2 4. Notice of election for ~~council~~ executive committee
3 membership shall be given by the ~~council~~ executive committee by
4 publication in a newspaper of general circulation in the state
5 and in any other reasonable manner as determined by the ~~council~~
6 executive committee, and shall set forth the date, time, and
7 place of the annual meeting of the association. The ~~council~~
8 executive committee shall administer the elections, with the
9 assistance of the secretary.

10 Sec. 7. Section 181.7, Code 2016, is amended to read as
11 follows:

12 **181.7 ~~Research~~ Executive committee — research and education**
13 **programs.**

14 The ~~council~~ executive committee shall initiate, administer,
15 or participate in research and education programs directed
16 toward the better and more efficient production, promotion, and
17 utilization of cattle and the marketing of products made from
18 cattle. The ~~council~~ executive committee shall provide for the
19 methods and means that it determines are necessary to further
20 the purposes of **this section**, including but not limited to any
21 of the following:

22 1. Providing public relations and other promotion
23 techniques for the maintenance of present markets.

24 2. Making donations to nonprofit organizations furthering
25 the purposes of **this section**.

26 3. Assisting in the development of new or larger domestic
27 markets for products made from cattle.

28 4. Assisting in the development of new or larger foreign
29 markets for cattle and products made from cattle.

30 Sec. 8. Section 181.7A, Code 2016, is amended to read as
31 follows:

32 **181.7A Commencement of federal assessment — suspension and**
33 **recommencement of state assessment — rate.**

34 1. Prior to the commencement of the collection of the
35 federal assessment, the ~~council~~ executive committee may seek

1 certification as a qualified state beef council within the
2 meaning of the federal Act.

3 2. The ~~council~~ executive committee shall suspend the state
4 assessment upon collection of the federal assessment. The
5 state assessment shall recommence upon the earlier of the
6 following:

7 a. The noncollection of the federal assessment. The
8 recommenced state assessment shall be imposed for a four-year
9 period. Its effective date shall be the first date for which
10 the federal assessment is not collected.

11 b. The passage of a special referendum pursuant to section
12 181.19 regardless of whether a federal assessment is being
13 collected.

14 3. The rate of the recommenced state assessment shall be the
15 same as the rate that was last in effect under section 181.19
16 immediately prior to the suspension of the state assessment.

17 Sec. 9. Section 181.8, Code 2016, is amended to read as
18 follows:

19 **181.8 ~~Entering~~ Executive committee — entering premises —**
20 **examining records.**

21 The ~~council~~ executive committee may authorize its agents to
22 enter at a reasonable time upon the premises of any purchaser
23 charged by **this chapter** with remitting the state assessment
24 to the ~~council~~ executive committee, and to examine records
25 and other instruments relating to the collection of the
26 state assessment. However, the ~~council~~ executive committee
27 must first have reasonable grounds to believe that the state
28 assessment has not been remitted or fully accounted for.

29 ~~The council may enter into arrangements with persons~~
30 ~~purchasing cattle outside of this state for remitting the state~~
31 ~~assessment by such purchasers.~~

32 Sec. 10. Section 181.11, Code 2016, is amended to read as
33 follows:

34 **181.11 Collection of state assessment.**

35 **1.** A state assessment imposed as provided in **this chapter**

1 shall be levied and collected from the purchaser on each sale
 2 of cattle at a rate provided in [this chapter](#). The state
 3 assessment shall be imposed on any person selling cattle and
 4 shall be deducted by the purchaser from the price paid to the
 5 seller. The purchaser, at the time of the sale, shall make and
 6 deliver to the seller a separate invoice for each sale showing
 7 the names and addresses of the seller and the purchaser, the
 8 number of cattle sold, and the date of sale. The purchaser
 9 shall forward the state assessment to the ~~council~~ executive
 10 committee at a time prescribed by the ~~council~~ executive
 11 committee, but not later than the last day of the month
 12 following the end of the prior reporting period in which the
 13 cattle are sold.

14 2. The executive committee may enter into arrangements with
 15 persons purchasing cattle outside of this state for remitting
 16 the state assessment by such purchasers.

17 Sec. 11. Section 181.12, Code 2016, is amended to read as
 18 follows:

19 **181.12 Remission of state assessment on application.**

20 A person from whom a state assessment is collected may, by
 21 written application filed with the ~~council~~ executive committee
 22 within ~~sixty~~ ninety days after its collection, have the amount
 23 remitted to the person by the ~~council~~ executive committee. The
 24 information that the state assessment is refundable and the
 25 address of the ~~council~~ executive committee to which application
 26 for a refund may be made shall appear on the invoice of sale
 27 form supplied by the purchaser to the producer near the area
 28 on the form which shows the amount of the state assessment
 29 paid. The ~~council~~ executive committee shall furnish uniform
 30 application for refund forms and ~~envelopes properly addressed~~
 31 ~~to the council to each purchaser charged by~~ [this chapter](#) ~~with~~
 32 ~~remitting the state assessment in sufficient number to make the~~
 33 ~~refund forms and envelopes readily available to all producers.~~
 34 A purchaser charged by [this chapter](#) with remitting the state
 35 assessment shall ~~display the application for refund forms and~~

1 ~~envelopes in a prominent position in its place of business and~~
2 ~~make them~~ the forms readily available to all producers.

3 Sec. 12. Section 181.13, Code 2016, is amended to read as
4 follows:

5 **181.13 Administration of moneys originating from state**
6 **assessment — appropriation.**

7 1. All state assessments imposed under this chapter
8 shall be paid to and collected by the ~~council~~ executive
9 committee and deposited with the treasurer of state in a
10 separate cattle promotion fund which shall be created by
11 the treasurer of state. The department of administrative
12 services shall transfer moneys from the fund to the ~~council~~
13 executive committee for deposit into an account established
14 by the ~~council~~ executive committee in a qualified financial
15 institution. The department shall transfer the moneys as
16 provided in a resolution adopted by the ~~council~~ executive
17 committee. However, the department is only required to
18 transfer moneys once during each day and only during hours when
19 the offices of the state are open. From the moneys collected,
20 deposited, and transferred to the ~~council~~ executive committee,
21 in accordance with the provisions of this chapter, the ~~council~~
22 executive committee shall first pay the costs of referendums
23 held pursuant to this chapter, the costs of collection of such
24 state assessments, and the expenses of its agents. At least
25 ten percent of the remaining moneys shall be remitted to the
26 association in proportions determined by the ~~council~~ executive
27 committee, for use in a manner not inconsistent with section
28 181.7. The remaining moneys, with approval of a majority of
29 the ~~council~~ executive committee, shall be expended as the
30 ~~council~~ executive committee finds necessary to carry out the
31 provisions and purposes of this chapter. However, in no event
32 shall the total expenses exceed the total amount transferred
33 from the fund for use by the ~~council~~ executive committee.
34 2. All moneys deposited in the cattle promotion fund
35 and transferred to the ~~council~~ executive committee pursuant

1 to [this section](#) are appropriated and shall be used for
 2 the administration of [this chapter](#) and for the payment of
 3 claims based upon obligations incurred in the performance of
 4 activities and functions set forth in [this chapter](#).

5 3. If the state assessment is suspended as provided in
 6 section 181.7A or a continuance referendum fails to pass as
 7 provided in [section 181.19A](#), moneys remaining in the cattle
 8 promotion fund and transferred to the ~~council~~ executive
 9 committee shall continue to be transferred and expended in
 10 accordance with the provisions of [this chapter](#) until exhausted.

11 Sec. 13. Section 181.17, Code 2016, is amended to read as
 12 follows:

13 **181.17 Producers not members.**

14 A producer who is not a member of the Iowa beef cattle
 15 producers association shall be entitled to vote in elections
 16 of persons to be members of the ~~council~~ executive committee in
 17 the same manner as if the producer were a member. The members
 18 elected to the ~~council~~ executive committee shall elect from
 19 their number the officers referred to in [section 181.1A](#).

20 Sec. 14. Section 181.18, Code 2016, is amended to read as
 21 follows:

22 **181.18 Rules.**

23 All rules ~~of the council heretofore or hereinafter~~
 24 ~~promulgated~~ adopted by the executive committee shall be subject
 25 to the provisions of [chapter 17A](#).

26 Sec. 15. Section 181.18B, Code 2016, is amended to read as
 27 follows:

28 **181.18B Report.**

29 Each year, the ~~council~~ executive committee shall prepare
 30 and submit a report summarizing the activities of the ~~council~~
 31 executive committee under [this chapter](#) to the auditor of state
 32 and the secretary of agriculture. The report shall show all
 33 income, expenses, and other relevant information concerning
 34 fees collected and expended under [this chapter](#).

35 Sec. 16. Section 181.19, subsections 1 and 2, Code 2016, are

1 amended to read as follows:

2 1. The secretary shall, upon the petition of five hundred
3 producers, conduct an initial referendum to determine whether a
4 state assessment is to be imposed, at a rate established by the
5 ~~council of executive committee~~ not to exceed ~~fifty cents~~ one
6 dollar per head on all cattle sold for any purpose.

7 2. The secretary shall, upon the petition of five hundred
8 producers, conduct a special referendum to do any of the
9 following:

10 a. Determine whether a state assessment already imposed
11 shall be increased to a rate, established by the ~~council~~
12 executive committee, not to exceed one dollar per head on all
13 cattle sold for any purpose.

14 b. Determine whether a state assessment suspended pursuant
15 to section 181.7A is to be in addition to a federal assessment.
16 The state assessment shall be imposed at a rate ~~of fifty cents~~
17 not to exceed one dollar per head on all cattle sold for
18 whatever purpose.

19 Sec. 17. Section 181.19A, subsection 3, Code 2016, is
20 amended to read as follows:

21 3. If the secretary determines that the referendum has
22 not passed, the secretary and the ~~council~~ executive committee
23 shall terminate the assessment in an orderly manner as soon as
24 practicable after the determination. Another referendum shall
25 not be held for at least one hundred eighty days from the date
26 that the assessment is terminated.

27 Sec. 18. REPEAL. 2004 Iowa Acts, chapter 1037, section 17,
28 is repealed.

29 Sec. 19. TRANSITION — APPOINTMENT AND TERMS OF EXECUTIVE
30 COMMITTEE MEMBERS.

31 1. This Act's amendments changing the name of the "Iowa beef
32 industry council" to the "executive committee" of the Iowa beef
33 cattle producers association shall not affect the appointment
34 or term of office of a member who served on the Iowa beef
35 industry council immediately prior to the effective date of

1 this Act. That member shall continue to serve on the executive
2 committee until the member's term expires.

3 2. The executive committee of the Iowa beef cattle producers
4 association created in section 181.3 as amended in this
5 Act may establish terms for any number of the five members
6 first elected or reelected by the Iowa beef cattle producers
7 association under that section on or after the effective
8 date of this Act to ensure elected members serve staggered
9 terms. The executive committee may also establish initial
10 terms for the two new members appointed by the Iowa cattlemen's
11 association under that section as amended by this Act to
12 ensure appointed members serve staggered terms. The executive
13 committee shall operate under 101 IAC 1.5 and 1.6 until the
14 appointment of the new members.

15 Sec. 20. TRANSITION — ADMINISTRATIVE RULES AND OTHER
16 ACTIONS AND DOCUMENTS. Any rule, form, order, or directive
17 promulgated by the Iowa beef industry council created in
18 section 181.3, in force and effect immediately prior to the
19 effective date of this Act, shall continue in full force and
20 effect until the earlier of the following:

21 1. It is amended, rescinded, or supplemented by the
22 affirmative action of the executive council of the Iowa beef
23 cattle producers association created in section 181.3, as
24 amended in this Act.

25 2. It expires by its own terms.

26 Sec. 21. EFFECTIVE UPON ENACTMENT. This Act, being deemed
27 of immediate importance, takes effect upon enactment.